THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (c) Year-on-year inflation measured in terms of Wholesale Price Index for the week ending October 4, 2008 was provisionally estimated at 11.44 per cent. Monthly year-on year inflation since April 2005 has been as under:

Table 1: Year on year inflation (%)

Month	2005-06	2006-07	2007-08	2008-09
April	5.91	3.86	6.28	8.04
May	5.55	4.73	5.46	8.86
June	4.32	5.12	4.53	11.82
July	4.29	4.83	4.71	12.36
Aug.	3.66	5.12	4.14	12.49 (P)
Sep.	4.06	5.38	3.51	12.04 (P)
Oct.	4.71	5.51	3.11	
Nov.	4.21	5.50	3.25	
Dec.	4.45	5.68	3.84	
Jan.	4.08	6.37	4.50	
Feb.	4.03	6.36	5.27	
Mar.	3.85	6.61	7.48	

Government is monitoring the price situation on a regular basis and containment of inflation remains high on its agenda. Anti-inflationary policies of the government include fiscal measures, rationalization of duties of essential items, effective supply-demand management of essential commodities through liberal tariff and trade policies, and strengthening the public distribution system. The Monetary policy of Reserve Bank of India, through an increase in cash reserve ratio (CRR) and increase in Repo rates, while being conducive to economic growth, has attempted to contain inflationary expectations arising out of uncertainties in domestic and international environment. There has been some moderation in inflation in recent weeks from its peak of 12.91 per cent as on August 2, 2008 to 11.44 per cent (provisional) as on October 4, 2008. It is expected that the declining trend would continue in the coming months.

Black money in circulation

386. SHRI KALRAJ MISHRA: Will the Minister of FINANCE be pleased to state:

(a) the estimated amount of unaccounted money in circulation in the country; and

(b) the amount of black-money so far seized by Government agencies?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) There is no exact estimate of unaccounted money in circulation in the

country. However, at the instance of the Government, a study was attempted by the National Institute of Public Finance and Policy (NIPFP) to estimate the black money in circulation in the country in 1983-84. Its Report was published in 1985 with the title "Aspects of the Black Economy in India". It had estimated the black money in circulation in the year 1983-84 between Rs. 31,584 crore to Rs. 36,786 crore, at 18 to 21% of GDP. The authors of the report had, however, admitted that their estimate was based on numerous assumptions and approximations, each of which could be challenged. No study has thereafter been conducted by the Government for estimating the quantum of unaccounted money in circulation in the country.

(b) Total value of assets seized in the course of Search and Seizure action conducted by the Income tax department, being prima facie unexplained in nature, is to the extent of Rs. 411.45 crore, Rs. 364.65 crore and Rs. 351.70 crore for the Financial Years 2007-08, 2006-07 and 2005-06 respectively.

Tax benefits to charitable trusts

387. SHRI JAI PRAKASH NARAYAN SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether Government is considering a proposal to redefine and narrow the concept of "charitable activity" to ensure that only deserving organizations become eligible for such benefits;

(b) if so, the details in this regard;

(c) whether many charitable trusts are misusing the tax benefits; and

(d) if so, what are the names of such trusts and what action Government has taken against these trusts?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) No such proposal is under consideration at present. Clause 15 of Section 2 of the Income-tax Act, 1961, which defines the term 'charitable purpose', has already been amended by Finance Act, 2008. After the amendment, which is effective from 1st April, 2009, advancement of 'any other object of general public utility' shall no longer be considered charitable if it involves carrying on of commercial or business activities for monetary consideration.

(c) and (d) As and when instances of misuse of the tax exemption provisions are noticed, necessary remedial measures are taken. For example, keeping in view the suggestions made in the Final Report (December, 1971) of Direct Taxes Enquiry Committee, observations made by the Public Accounts Committee (2005-06) in its Fourteenth Report (Assessment of Private Schools, Colleges and Coaching Centres) and recommendations received from field-formations, an amendment was made to the Income-tax Act, 1961 through Finance Act, 2006 by introducing section 115 BBC to tax anonymous donations in certain cases in order to deter the channelization of unaccounted money to charitable institutions in the guise of anonymous donations.